

**COMMONWEALTH OF PUERTO RICO  
TELECOMMUNICATIONS REGULATORY BOARD  
OF PUERTO RICO**

FCC's Triennial Review Order	)	Case Number JRT-2003-CCG-0004
	)	
	)	Re: Review of High Capacity Business
	)	Customer Local Circuit Switching
	)	

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**REBUTTAL TESTIMONY OF  
ROBERT W. WALKER  
ON BEHALF OF WORLDNET TELECOMMUNICATIONS, INC.**

- 1   **Q.**    What is your name and business address?
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- 3    A.    My name is Robert W. Walker. I am sixty-seven years old. I am the founder and  
4           president of Comsource, Inc., a telecommunications regulatory and technology consulting  
5           firm located at 22W343 Arbor Lane, Glen Ellyn, Illinois 60137
- 6
- 7   **Q.**    Have you testified previously in this proceeding?
- 8
- 9    A.    Yes. I provided direct testimony regarding some of the significant operational and  
10          economic barriers existing in Puerto Rico markets.
- 11
- 12   **Q.**    What is the purpose of your current testimony?
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- 14   A.    The purpose of my current testimony is to rebut the direct testimony offered in this  
15          proceeding on behalf of Puerto Rico Telephone Company ("PRTC") by Mr. Roberto  
16          Correa and Mr. Jeffrey W. Reynolds.
- 17
- 18   **Q.**    Do you agree with Mr. Correa and Mr. Reynolds that PRTC is "ready, willing, and  
19          able" to provide stand-alone UNE loops, collocation, and cross-connects?
- 20
- 21   A.    No. According to Mr. Correa and Mr. Reynolds, PRTC has never successfully provided  
22          these things. And, in light of that, I do not believe that the Board has any basis to  
23          conclude that they will suddenly be ready, willing, or able to do so now.
- 24
- 25   **Q.**    What is the basis for your conclusion?
- 26
- 27   A.    In my experience, even the most sophisticated ILECs are not able to implement new  
28          processes and rollout new services without problems. Even for the largest and best, it  
29          takes time and experience until they are able to provide new service offerings effectively.  
30          Under the best circumstances, therefore, I think it would be difficult for a state

1 commission to find that an ILEC that had never provided a UNE loop, collocation, or  
2 cross-connect would nevertheless be able to do so well enough to validate the FCC's no  
3 impairment finding.  
4

5 In this case, however, we are not faced with the best circumstances. We are faced with  
6 an ILEC whose systems and performance is admittedly well behind its ILEC counterparts  
7 in the states and an ILEC that, in my experience, has consistently demonstrated little to  
8 no readiness, willingness, or ability to provide services or facilities to competitors  
9 consistently or effectively.  
10

11 **Q. Can you provide any examples from your experiences with PRTC that undermine**  
12 **Mr. Correa's and Mr. Reynolds' contention that PRTC is "ready, willing, and able"**  
13 **to provide things that it has never provided?**  
14

15 A. Yes. My most recent experience of this was in working with PRTC to prepare it for its  
16 initial rollout of UNE-P. As Mr. David Bogaty explained in his testimony, in 2001,  
17 PRTC and WorldNet entered into an interconnection agreement in which PRTC agreed to  
18 provide UNE-P as of October 1, 2002. In negotiating the agreement, WorldNet initially  
19 insisted that PRTC provide UNE-P as soon as the interconnection agreement became  
20 effective. As part of a comprehensive settlement of issues, however, WorldNet agreed to  
21 defer ordering UNE-P circuits until October 1, 2002. PRTC chose this date because it  
22 said that it needed the time to set up the processes and systems necessary to provide  
23 UNE-P.  
24

25 **Q. Was PRTC "ready, willing, and able" to provide UNE-P on October 1, 2002 as it**  
26 **promised?**  
27

28 A. No. Although PRTC purported to accept and process WorldNet UNE-P orders on  
29 October 1, 2002, it did so without any processes or systems in place for a host of  
30 important UNE-P arrangements, including, most importantly, detailed usage billing.  
31 Indeed, PRTC was apparently not even able to implement the minimal processes and  
32 systems that PRTC did put in place to handle WorldNet UNE-P orders. In particular,  
33 since October 1, 2002, PRTC processes and systems for UNE-P have resulted in (and,  
34 over a year later, continue to result in) substantial billing errors and, in a number of cases,  
35 the disconnection of WorldNet customers. Indeed, Mr. Reynolds should be quite familiar  
36 with the continuing billing problems with UNE-P because he is now employed by the  
37 consulting firm retained by PRTC to administer this very flawed system.  
38

39 **Q. Why do you believe that PRTC was not "ready, willing, and able" to provide UNE-P**  
40 **when it promised?**  
41

42 A. PRTC did not devote the attention or resources necessary to be ready. WorldNet's  
43 interconnection agreement with PRTC contemplated that the parties would work together  
44 through an implementation team in the months leading up to October 1, 2002. I was a  
45 member of that team and circulated the initial issues agenda to begin the preparation

process in early 2002. The response from PRTC was less than overwhelming. To begin with, PRTC was unwilling to hold more than one implementation team meeting a month, which was not adequate to address the many issues at hand. Moreover, when PRTC did agree to meet, the meetings were not very productive, with PRTC unwilling or unable to resolve most issues and with key PRTC personnel conspicuously and chronically absent. Similarly, WorldNet and I generated most, if not all, of the proposals for appropriate processes and procedures. In almost every case, PRTC either ignored or summarily rejected the proposals. By the end of the implementation process, we had barely moved off of the first page of my initial lengthy agenda.

**Q. How then was PRTC ultimately able to accept and process UNE-P orders on October 1, 2002, to the extent it did?**

A. Basically, by using many of the WorldNet proposals that PRTC initially rejected or ignored. The most notable among these proposals was a composite billing system that I developed as a billing solution when PRTC announced, very late in the process, that it would not be able to modify its billing systems to provide detailed usage billing by October 1, 2002. The composite system essentially estimates usage and was designed to be used as a temporary system. I believe, however, that over a year later, PRTC is still using the system and has given no assurance of when it will be modifying its billing systems to provide actual detailed usage billing as it promised. I surmise that it will ultimately require a very costly Board complaint or some other similar action to force PRTC to make these changes.

**Q. How does your experience with PRTC and UNE-P relate to this proceeding?**

A. I believe it relates directly. UNE-P was a new service that PRTC agreed to be ready, willing, and able to provide by October 1, 2002. PRTC was not ready, willing, or able, and, to the extent it was, its performance was made possible only by the extraordinary and very costly efforts of WorldNet. In this proceeding, Mr. Correa and Mr. Reynolds have told the Board that PRTC is again "ready, willing, and able" to provide things that it has never provided successfully before. In my experience, it would be hard enough for an ILEC with infinitely more advanced systems and resources than PRTC to be successful in providing these things from scratch. When you add this to PRTC's history of unpreparedness, unwillingness, and inability in providing other services to competitors in Puerto Rico, I simply do not believe that what Mr. Correa and Mr. Reynolds are saying about PRTC here is either possible or true.

**Q: Mr. Correa and Mr. Reynolds both suggest that PRTC's experience with UNE-P support their contention that PRTC is "ready, willing, and able" to provide stand-alone UNE loops. Do you agree with their suggestion?**

A: No. Providing stand-alone UNE loops involves many different activities and issues than providing a UNE loop as part of a UNE-P circuit. To date, in providing UNE-P, PRTC has simply had to convert existing resale or retail customer lines to UNE-P. This process

essentially just requires an administrative billing change without any need to run jumpers or to port telephone numbers. Providing stand-alone UNE loops will require physical cutovers of those loops to competitor collocations or switches, as well as the provision and coordination of things like local number portability. PRTC has not done any of these things, and I expect that they will encounter many problems as they learn to complete these processes, as other ILECs have.

**Q. Mr. Reynolds suggests in his testimony that competitors in Puerto Rico are not impaired without access to PRTC high capacity switching because competitors have deployed wireless switches that can easily be converted to wireline switches. Do you agree with Mr. Reynolds' suggestion?**

A. No. To begin with, the FCC found in the Triennial Review order that wireless switches are not a suitable substitute for wireline switches in considering impairment.<sup>a</sup> I believe that the FCC's finding essentially moots Mr. Reynolds' whole point.

**Q. Even so, do you agree with Mr. Reynolds existing competitor wireless switches can be converted and used easily to provide wireline service to enterprise customers in Puerto Rico?**

A. The vast majority of wireless carriers have little interest in sharing their switches with wireline service providers. Moreover, few CLECs would be willing to limit their service offering to a niche market such as switched broadband. Indeed, Centennial's Puerto Rico switches are the only switches configured for both wireline and wireless anywhere in the country of which I am aware. For a CLEC to be a full-fledged local service competitor on a joint use platform would be a very challenging undertaking.

**Q. What would it take to offer a wider array of services such as POTS on a combined wireline/wireless switch?**

A. From the standpoint of network design, it would be necessary to incorporate TR-303, Integrated Digital Loop Carrier (IDLC) software and facilities into the switch, together with a significant increase in transport to support the IDLC. There would be an obvious need to increase the switch's telephone numbers, port and call-carrying capacity to accommodate the wireline customers. There are complex operational issues associated with such a configuration, as well.

**Q. What are some of those issues?**

A. Subscriber testing is different between wireless and wireline and there are major differences in transport protocol and architecture. Such an operation would require dual billing systems, different line class codes, 911 arrangements and there are major differences in the service features, all which would have to be administrated on a

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<sup>a</sup> See Triennial Review Order at ¶ 445 ("We also find that . . . wireless is not yet a suitable substitute for local circuit switching.").

1 common platform. Depending on the size of the operation, this would represent a  
2 considerable operational and administrative challenge.  
3

4 **Q. Any further thoughts on Mr. Reynolds' testimony?**  
5

6 A. Yes. Despite Mr. Reynolds' assertions that there is no impairment in enterprise high-  
7 capacity switching in any of the markets in Puerto Rico, the truth is that Puerto Rico is  
8 one of the least developed competitive telecommunications markets for its size in the  
9 country. Competition in the switched broadband market in Puerto Rico is limited to only  
10 three significant service providers: PRTC, Centennial, and WorldNet. At this time, only  
11 PRTC and Centennial are facilities-based providers, with WorldNet a UNE-P provider.  
12 Centennial, which heretofore has only utilized its own transport facilities, is attempting to  
13 collocate in a number of PRTC locations and to secure UNE loops since there are  
14 significant areas of Puerto Rico beyond Centennial's current ability to access. These  
15 areas are currently limited to PRTC or WorldNet.  
16

17 **Q. Does this conclude your testimony?**  
18

19 A. Yes, although I reserve the right to amend or supplement it based on discovery  
20 information that WorldNet has yet to receive from PRTC and other parties in this  
21 proceeding or in rebuttal to issues raised by PRTC.